A0400-1
10/7/88

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS SEPTEMBER 1988

INDUSTRY SHIPMENTS INCREASE 0.7%

Total industry net shipments for the first seven months of 1988, reported at 9,559 million pounds, were up 0.7 percent from the seven month 1987 total of 9,495 million pounds.

Domestic shipments of 8,657 million pounds were down 1.8 percent from the seven month 1987 total of 8,820 million pounds.

Exports of ingot and mill products of 902 million pounds were up 33.4 percent from the first seven months of 1987 while imports declined 11.2 percent for the same period.

THRU JULY 1988

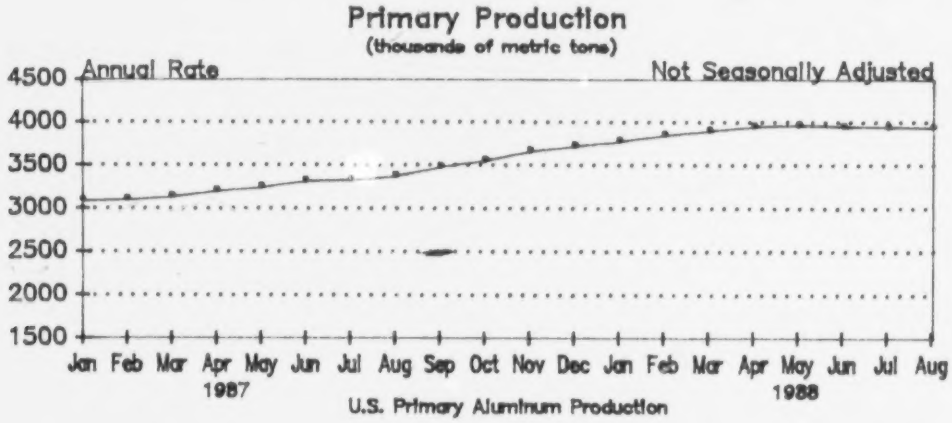
	1988 7 Mos.	1987 7 Mos.	% Change
Mill Products	7,829	7,679	1.9
Ingot	1,730	1,816	-4.7
Total	9,559	9,495	0.7
Less Exports	902	676	33.4
Domestic Total	8,657	8,820	-1.8

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

* * * * *

PRIMARY PRODUCTION DAILY RATE 10,728 METRIC TONS

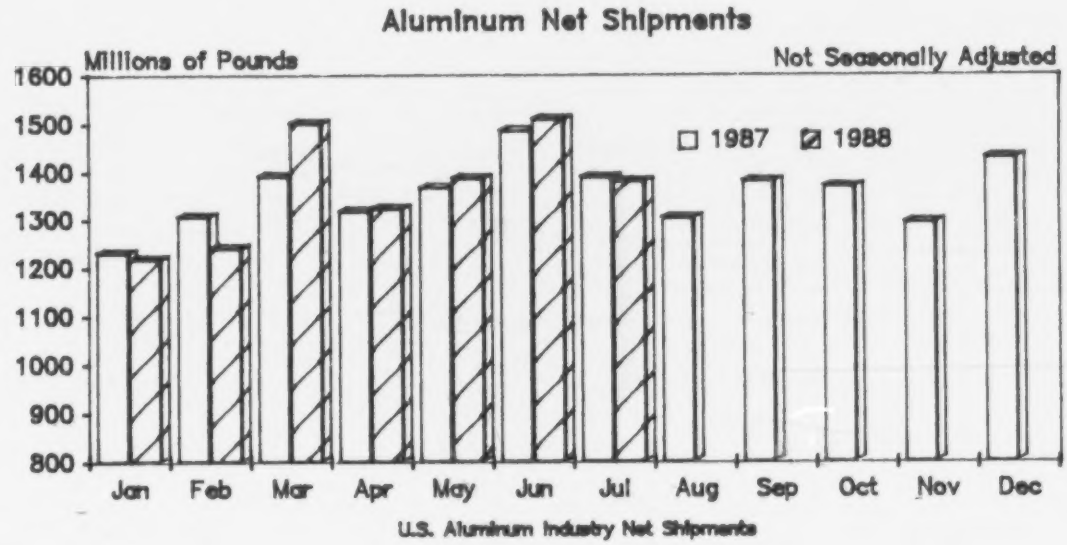
U.S. primary aluminum production averaged 10,728 metric tons daily during August 1988. This compares with an average of 9,234 metric tons a day in August 1987 and 10,759 metric tons a day in July 1988. The annual rate of production in August 1988 was 3,926,448 metric tons compared with 3,370,575 metric tons in August 1987 and 3,937,711 metric tons in July 1988. Actual production in August 1988 was 332,568 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS INCREASE 0.7 PERCENT

Total industry net shipments for the first seven months of 1988, reported at 9,559 million pounds, were up 0.7 percent from the seven month 1987 total of 9,495 million pounds. Domestic shipments of 8,657 million pounds were down 1.8 percent from the seven month 1987 total of 8,820 million pounds.

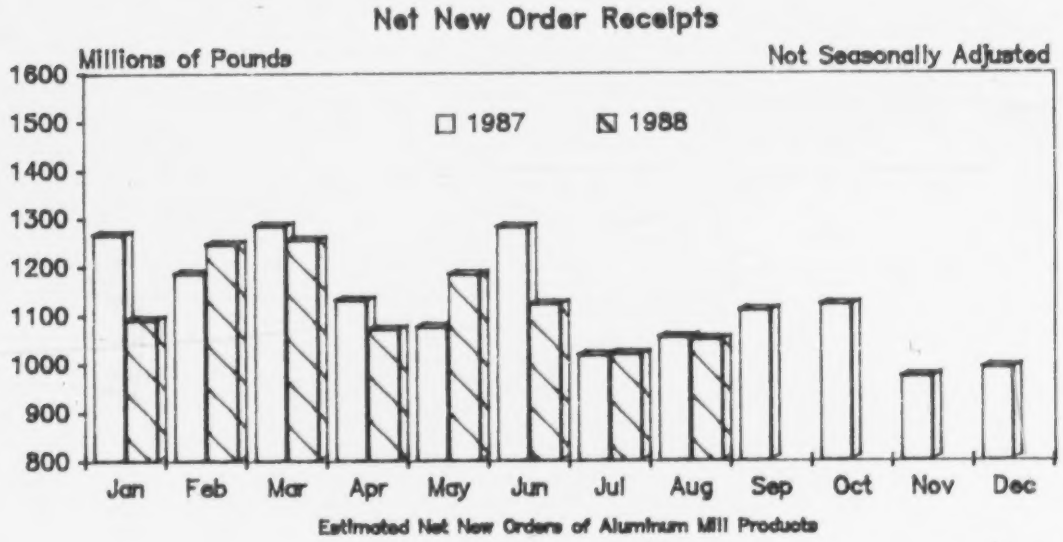


NET SHIPMENTS (Millions of Pounds)	1988 July	1987 July	1988 7 Mos.	1987 7 Mos.	% Change 1988 vs 1987
Sheet	605.7	597.5	4,158.8	4,131.6	0.7
Plate	21.8	21.1	177.0	158.0	12.0
Foil	66.8	66.7	544.7	503.6	8.2
Rod,Bar & Wire	14.0	37.9	164.5	218.5	-24.7
Elec. Conductor	54.7	54.8	404.9	366.3	10.5
Extruded Shapes,Tube	223.3	253.4	1,641.1	1,630.6	0.6
Powder & Paste	6.4	7.9	47.2	53.8	-12.2
Forgings & Impacts	12.8	12.8	100.4	91.6	9.6
Net Imports of Mill Products (Total) (a)	97.5	71.9	589.9	525.1	12.3
Total Mill Products	1,103.0	1,124.1	7,828.6	7,679.0	1.9
Ingot (b)	278.2	266.6	1,730.2	1,816.4	-4.7
TOTAL INDUSTRY SHIPMENTS	1,381.3	1,390.6	9,558.8	9,495.5	0.7
Exports	152.4	102.0	901.8	675.9	33.4
TOTAL DOMESTIC SHIPMENTS	1,228.9	1,288.7	8,657.0	8,819.6	-1.8

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 2.7 PERCENT

Estimated net new order receipts of aluminum mill products for eight months of 1988, totaling 9,051 million pounds, declined 2.7 percent from the eight month 1987 total of 9,306 million pounds. Total net new orders of aluminum mill products for the month of August 1988 decreased to 1,051 million pounds, down 4.4 percent from the July 1988 total of 1,007 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1988 August	1987 August	1988 8 Mos.	1987 8 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	336.7	395.2	3,126.6	3,623.9	-13.7
Can Stock	298.2	274.0	2,730.6	2,424.8	12.6
Foil	76.9	78.7	681.4	695.0	-2.0
Bar, Rod & Wire	39.6	35.1	319.1	266.3	19.8
Electrical Conductor	55.3	52.8	504.6	435.5	15.9
Extruded Shapes & Tube	215.9	198.6	1,511.9	1,680.3	-10.0
Powder & Paste	15.7	6.3	73.4	74.2	-1.1
Forgings & Impacts	12.9	14.9	103.1	105.8	-2.6
Total Mill Products	1,051.2	1,055.6	9,050.7	9,305.8	-2.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 13 MILLION POUNDS

Producer inventories increased in July 1988 to a total of 4,271 million pounds. This represents a 13 million pound decline from the revised June 1988 level of 4,258 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
April	4,423	1,413	614	2,396
May	4,388	1,354	607	2,427
June	4,258r	1,353r	664r	2,241r
July	4,271	1,350	689	2,231

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 36.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of July 31, 1988 was 36.8, up 1.1 percent from June 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

April	35.4
May	35.9
June	36.4
July	36.8

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports
(Millions of Pounds)

		1988 July	1987 July	1988 7 Mos.	1987 7 Mos.	% Change 1988 vs 1987
Imports	Mill Products	98.8	86.0	604.7	594.6	1.7
	Ingot	174.6	240.1	1,404.3	1,668.7	-15.8
	Total	273.4	326.1	2,009.0	2,263.2	-11.2
	Scrap (+ dross)	37.0	38.0	266.1	259.4	2.6
	Grand Total	310.4	364.1	2,275.1	2,522.7	-9.8
Exports	Mill Products	60.5	44.0	478.0	366.4	30.4
	Ingot	91.9	57.9	423.8	309.5	37.0
	Total	152.4	102.0	901.8	675.9	33.4
	Scrap	110.9	73.5	575.2	486.1	18.3
	Grand Total	263.3	175.5	1,477.0	1,162.0	27.1
Net Imports		47.1	188.6	798.1	1,360.7	-41.3

Source: Bureau of the Census, U.S. Department of Commerce.